SUBJECT. TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF ITALY, SIGNOR COSSIGA ON MONDAY 21 JANUARY 1980 Prime Minister: Hello, Mr. Cossiga. I am well and you? STER'S PERSONAL MESSAGE Signor Cossiga: I am well, SERIAL No. T 15/80 PM: I am full of problems but I expect you are too. SC: I am ringing as I wish to speak to you about some problems that I will speak to President Carter about. I have my interpreter here and I think the best way to speak together PM: Very well, yes, go ahead. SC: Prime Minister, there is one first thing the Prime Minister is well aware that he has no mandate and he has neither any intention to represent the Nine countries of the EEC or European NATO members when talking to President Carter or members of the US Administration who we are going to meet very soon as you are aware. Anyway I thought it would really be a good idea and also necessary to talk to you before leaving for the United States in particular because Italy has now the Presidency in the Common Market and I thought it would be useful to talk to you first. Is that all right? It is very useful and it is understood and I am very grateful. SC (through Interpreter): I think it is ever so important to be firm and also to take a clear position and at the same time be as flexible as possible so as not to prejudice detente. On the other hand, it is necessary to make the Soviet Union and the members of the Warsaw Pact understand that detente is not compatible with the facts placed in front of us. PM: Yes, well/I am concerned about, if you would tell Signor Cossiga, is that we all seem to be Interpreter; May Mr. Cossiga go on?

PM: Yes, of course Signor Cossiga may go on.

Interpreter: I am rather worried about the situation. I think it is very important that right now we should all try to obtain the maximum of solidarity in our direction to the United States because I think that any division of the European States right now would really do a lot of harm. This is why I wonder whether it would not be necessary to have a consultation among our Foreign Ministers that is within the EEC - in view of discussing the question of closer political co-operation. There is the problem for instance of sanctions against the Soviet Union in connection with their intervention in Afghanistan and also the problem of sanctions against Iran. I also believe it is necessary to have a common strategy in our relations with the Arabic countries because they should better understand how enormously they are being threatened also by the Soviet Union. On our side we are going to try and help as much as possible Turkey and Pakistan. I believe that we should try and do a little more also for the Arabic countries and this is why I do appreciate the rather cautious action of Carter towards Iran and this means that the most important fact of the international scenario continues to be Afghanistan. And now we also have in addition the problem of Yugoslavia. For Italy it is a particularly delicate problem. This is why I believe the countries of the Common Market should do all in their power to lead to a happy end the negotiations and agreements that are going on between the EEC and Yugoslavia. I am rather worried that if there is a lack of a common position on the side of the European States then this might mean that the neutral countries would take over - the neutral forces would take over, they would be strengthened by that. In addition we have the problem of the Olympic Games and I would appreciate very much to learn your opinion on that and we must bear in mind also the reaction of public opinion in connection with withdrawal from the Olympic Games. We must see what the man in the street thinks about it and how he reacts. I have been thinking over what might be the best forum in order to take a common line. we might have another meeting among the Six as the one we had in London or, and that would be in my opinion a better solution, we could have a meeting of the Nine. What do you think about that?

PM: Well now may I make one or two comments, First, I agree with Signor Cossiga that Afghanistan is the most important crisis of them all and that we must take firm action on that. My worry is that the Foreign Ministers met in Europe last week and the NATO Council met and they all deplored what the Soviet Union had done but they could not agree on any course of action to take and my worry is that Europe is not united when it comes to deciding what to do. Now I do feel that we shall all fail - we shall fail President Carter and we shall fail the Western way of life - if we just say the Soviet Union has done wrong and condemn her and we just leave it at that. And I think therefore we must get some concerted action in Europe and I agree with Signor Cossiga. May I refer to one or two things? The Olympic Games. I came out strongly in favour of trying to move them when I spoke last week in Parliament in reply to a question. We shall be replying tomorrow to President Carter's message and tomorrow morning we meet to decide the precise terms but we shall be supporting him on urging the International Olympic Committee to try to find another venue for the Games so we shall be with him on that. Secondly, we have been trying to persuade our European partners to back up President Carter in his wheat sanctions on the Soviet Union. I know we are not going to export wheat but we in this country think it very wrong to export butter cheaply from the butter pile in Europe to Russia. That view is held very strongly in Britain indeed. We should therefore not want to sell butter to Russia. On the sale of high technology we think we must get together with a view to tightening up the rules of the COCOM Committee to restrict the sale of technology to Soviet Russia and if we can do that for a start it will be something. I agree with Signor Cossiga on his worries about Yugoslavia and we ought to be able, in the EEC, to do a rather better trade agreement with Yugoslavia than we have been prepared to do so far. May I say just one other thing. Iran, We are a little bit worried at the moment that sanctions against Iran will not help to release the hostages and we believe therefore that as far as those are concerned we should go slow on sanctions against Iran for the timebeing because it does not seem to be helping with its desired objective and we all know what in foreign policy terms as

distinct from hostage terms, in foreign policy terms we ought to be trying to persuade Iran of the dangers of the Soviet Union and the wisdom on her part on trying to stay friendly with the West and how very unwise of her it is to detain hostages under those circumstances. So with those few remarks I don't think that Signor Cossiga and I are very far apart except that we must get concerted action in Europe and it must be more than words. I think that I would agree with him that the Warren Christopher Committee which took place in London - the Committee of the Six - which set up two Working Parties is probably the best way to continue our joint action. Over to you.

Interpreter: Prime Minister, what would you think about a meeting of the Nine Foreign Minister for political co-operation.

PM: I think that it will be important before they meet to have got some agreement between them as to the course of action ahead. I think if they just meet without a lot of preparation it will not be a fruitful meeting but I (cut off)

PM: Hello, I was saying whether we should have a meeting of the Nine Foreign Minister and I was saying that if that was to happen it must be very carefully prepared beforehand. If they just go and sit down round a table they will not come away with any conclusions. They must be asked certain questions must be put to them on the agenda and they must be asked to come along with answers. But my fear, would you tell Signor Cossiga, is that the meeting will not show up the unity it will show up the division. Would you translate that?

Interpreter: Thank you very much Prime Minister for this opinion. We are going to meet very soon in London.

PM: Yes I think we will talk about it further,

Interpreter: I will also have more elements at my disposal.

PM: Yes, yes. We must support our American friends as much as we can. But I am just a little bit concerned that we are not getting the hostages released with our present policy and I am also concerned because I think both Iran and Afghanistan are part of the same problem namely the Soviet attitude towards the West. I am sure that is very much in line with what Signor Cossiga was saying to me and I don't think I can add anything else. I wish him a very happy and successful visit and I am sure it will be successful and I look forward to hearing all about it from him in London.

SC: Thank you very much Mrs Thatcher

PM: Oh hello. Just one tiny little point. I will not be able to meet you at the airport myself because I have to answer Questions in the House of Commons but I will be hear to greet you. I look forward to it.

SC: Oh. Goodbye.

PM Thank you very much for phoning. Goodbye,